



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 April 9, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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care to Los Angeles County residents
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and through collaboration with
community and university partners.*



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April 09, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Impacted Hospital Program (IHP). The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number H-UCLA MC – 1321262 \$1,953
- (2) Account Number H-UCLA MC – Various \$5,105
- (3) Account Number LAC+USC MC – Various \$5,323
- (4) Account Number LAC+USC MC – 10518570 \$12,372
- (5) Account Number LAC+USC MC – Various \$33,333

Patients who received medical care at non-County facilities:

- (6) Account Number IHP - 589779 \$6,000

Total All Accounts: \$64,086

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (6) is recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$64,086.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the IHP accounts (non-County facilities) will replenish the Los Angeles County IHP Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: APRIL 9, 2013

Total Gross Charges	\$26,034	Account Number	1321262
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$26,034	Date of Service	10/14/10 – 10/16/10
Compromise Amount Offered	\$1,953.40	% Of Charges	8 %
Amount to be Written Off	\$24,080.60	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$26,034 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$6,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$2,000	\$2,000	33 %
Lawyer's Cost	\$139.79	\$139.79	2 %
H-UCLA Medical Center *	\$26,034	\$1,953.40	33 %
Other Lien Holders *	\$6,063.75	\$291.50	5 %
Patient	-	\$1,615.31	27 %
Total	-	\$6,000	100 %

* Lien holders are receiving 38% of the settlement (33% to H-UCLA Medical Center and 5% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: APRIL 9, 2013

Total Gross Charges	\$69,737	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$69,737	Date of Service	Various
Compromise Amount Offered	\$5,104.77	% Of Charges	7 %
Amount to be Written Off	\$64,632.23	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$69,737 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$3,750	33 %
Lawyer's Cost	\$1,058.45	\$1,058.45	7 %
H-UCLA Medical Center	\$69,737	\$5,104.77	34 %
Other Lien Holders	-	-	-
Patient	-	\$5,086.78	34 %
Total	-	\$15,000	100 %

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: APRIL 9, 2013

Total Gross Charges	\$365,727	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$365,727	Date of Service	Various
Compromise Amount Offered	\$5,322.50	% Of Charges	1 %
Amount to be Written Off	\$360,404.50	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$365,727 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$4,000	27 %
Lawyer's Cost	\$355	\$355	3 %
LAC+USC Medical Center	\$365,727	\$5,322.50	35 %
Other Lien Holders	-	-	-
Patient	-	\$5,322.50	35 %
Total	-	\$15,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: APRIL 9, 2013

Total Gross Charges	\$42,574	Account Number	10518570
Amount Paid	\$650	Service Type	Inpatient
Balance Due	\$41,924	Date of Service	7/16/10 – 7/23/10
Compromise Amount Offered	\$12,371.90	% Of Charges	30 %
Amount to be Written Off	\$29,552.10	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient fell into an emptied swimming pool. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$42,574 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$67,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$27,000	\$15,000	22 %
Lawyer's Cost	\$19,639.41	\$19,639.41	29 %
LAC+USC Medical Center **	\$42,574	\$12,371.90	19 %
Other Lien Holders **	\$9,536.75	\$8,985.75	13 %
Patient	-	\$11,502.94	17 %
Total	-	\$67,500	100 %

* The patient's attorney agreed to reduce his fees from \$27,000 (40%) to \$15,000 (22%).

** Lien holders are receiving 32% of the settlement (19% to LAC+USC Medical Center and 13% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: APRIL 9, 2013

Total Gross Charges	\$74,776	Account Number	12379816
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$74,776	Date of Service	10/5/11 – 10/13/11
Compromise Amount Offered	\$33,333	% Of Charges	45 %
Amount to be Written Off	\$41,443	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$74,776 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$40,000	\$16,000	16 %
Lawyer's Cost	\$3,850	\$3,850	4 %
LAC+USC Medical Center *	\$74,776	\$33,333	33 %
Other Lien Holders *	\$19,972	\$11,279	11 %
Patient	-	\$35,538	36 %
Total	-	\$100,000	100 %

* Lien holders are receiving 44% of the settlement (33% to LAC+USC Medical Center and 11% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: APRIL 9, 2013

Total Charges (Providers)	\$22,974.82	Account Number	589779 (Impacted Hospital Program)
Amount Paid to Provider	\$250	Service Type / Date of Service	Emergency Room Services 4/05/10
Compromise Amount Offered	\$6,000	% of Payment Recovered	2,400 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total gross charges of \$22,974.82 for medical services rendered. The provider has received payment from the Los Angeles County Impacted Hospital Program in the amount of \$250. The patient's third-party claim has been settled for \$18,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's fees	\$5,938.50	\$5,938.50	33 %
Los Angeles County *	\$22,974.82	\$6,000	33 %
Other lien holders *	\$38,919.42	\$6,061.50	34 %
Patient	-	-	-
Total		\$18,000	100 %

* Lien holders are receiving 67% of the settlement (33% to Los Angeles County and 34% to others).

As stated in the Impacted Hospital Program (IHP) agreement, reimbursement to providers is for Emergency Room (ER) and Inpatient Services provided to eligible indigent patients.

Proposed settlement reimburses the IHP fund 2,400% (\$6,000) of amount paid to Long Beach Memorial Medical Center (\$250).